

TAB

~~CONFIDENTIAL~~

~~SECRET~~

Enclosure

Construction of an Annex at Langley
versus Renting in Town

In 1947 when the Central Intelligence Agency was first established, elements of the Agency were scattered throughout the Washington area wherever empty space could be located. From the beginning, the inefficiency and danger of this scattering was recognized and as soon as possible official steps were taken to rectify this situation (Tab "A").

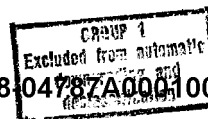
The new Headquarters Building at Langley was occupied in 1962, and at that time it was impossible to locate all Agency elements in the building. This situation has continued down to the present, and the Agency presently occupies 636,789 square feet of space outside of Langley (Tab "B"). This dispersion has the same inherent disadvantages on a smaller scale as the Agency encountered before the Headquarters was built.

The present space situation (Tab "C") is complicated by a requirement for approximately 133,000 square feet of general purpose space at the Headquarters (in this respect, it should be noted that the Agency has a higher space utilization than the standards prescribed by GSA), and by the fact that PBS has projected the possible evacuation of three buildings during 1965-1970. The most pressing problem is a GSA plan to demolish in the near future three buildings in West Potomac Park used by the Agency. No new buildings are presently being planned in which the Agency could be allotted space; therefore, approximately 224,692 square feet will have to be leased to meet Agency needs. In anticipation of these plans and to solve immediate needs, a Certificate of Necessity for approximately 200,000 square feet has been forwarded to GSA.

The Agency's need for additional space could be met by constructing an annex at Langley. This construction could fill the requirement for 639,000 square feet shown in Tab "C", and could further incorporate approximately 24,000 additional square feet for custodial, cafeteria expansion and boiler plant expansion, which brings the sum total of net usable space requirement to 663,000 square feet. This requirement could be housed in one or more buildings and is broadly estimated to cost on the order of \$34.5 million at 1965 construction prices (Tab "D"). This figure will increase by three percent per year and in five years the cost would come to \$39.6 million. Inflation of construction costs must be reckoned with to avoid finding ourselves in the same predicament we were in in 1956.

~~CONFIDENTIAL~~

~~SECRET~~



~~CONFIDENTIAL~~

~~SECRET~~

The cost of rent and maintenance of the facilities to be occupied by the end of 1966 will be approximately \$2 million a year (Tab "E"). Comparing the cost of the Agency's situation and the construction of an annex at Langley, indicates a net savings of approximately \$1.2 million a year as shown in Tab "F". Aside from this savings, the dispersal of Agency elements weakens control and security and seriously complicates coordination. In many cases, proper coordination cannot be expeditiously accomplished because of time and distance factors involved. Conservatively, this dispersion costs the Agency some \$875,000 a year in lost time. This is a very significant figure when projected over a ten year period and amounts to \$8.75 million. In addition to the outright savings that could be made by the construction of an annex at Langley, there are many intangible savings that would materially strengthen the Agency's efficiency and esprit. The overall increased efficiency and security that would result from locating all Agency elements at one site militates overwhelmingly for construction of an annex at Langley.

- Tab "A" - History of New Headquarters Building Construction
- Tab "B" - Space Presently Occupied by Elements Outside Headquarters
Subject to Relocation
- Tab "C" - Space that will be Occupied by Elements Outside Headquarters
Subject to Relocation by December 1966
- Tab "D" - Replacement Space Required in an Annex Building at Langley
Together with a Broad Estimate for Construction Costs
- Tab "E" - Rental and Maintenance Costs Estimated for Calendar Year
1966
- Tab "F" - Estimated Direct Savings Resulting from the Construction
of an Annex at the Langley Site

~~SECRET~~

~~CONFIDENTIAL~~